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FISCAL IMPACT STATEMENT

LS 7281

BILL NUMBER: HB 1560

NOTE PREPARED: Jan 8, 2005

BILL AMENDED:

SUBJECT: Property tax informational statements.

FIRST AUTHOR: Rep. Dodge

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill amends the informational statement the county treasurer mails to taxpayers. The bill requires mailing of the statement to the last known address of each person liable for the property taxes or special assessments as shown on the tax duplicate or special assessment records. It eliminates the requirement for mailing the statement to personal property taxpayers.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under existing law and under the proposal, the county treasurer must mail an informational statement to the last known address of each person liable for the property taxes or special assessments, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book. Among other provisions, under existing law, the treasurer must include in the informational statement the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year. The bill eliminates this provision. County treasurers could see a reduction in administrative expenses associated with providing information pertaining to the liability distributable to each taxing unit. The impact will depend, in part, on whether the county is already providing this information.

Under existing law, the Department of Local Government Finance (DLGF) before July 1, 2004, was to

designate 5 counties to participate in a pilot program that required county treasurers to mail an informational statement to taxpayers that contained information pertaining to the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit. The requirements applied only in a county designated to participate in a pilot program for property taxes first due and payable after December 31, 2004, and before January 1, 2008; or a county adopting an ordinance for property taxes first due and payable after December 31, 2003, or December 31, 2004, and before January 1, 2008; and in all counties for taxes first due and payable after December 31, 2007. (The number of counties currently participating will be provided when it becomes available.)

The bill also provides that county treasurers are not required to mail the informational statement to persons liable for property taxes on personal property. There are an estimated 400,000 persons liable for personal property taxes. Eliminating the requirement that county treasurers mail the information to personal property taxpayers could reduce local expenditures statewide by up to \$176,000 (\$0.37 postage * 400,000 plus 400,000 * \$0.07 per printed page including envelope). This estimate assumes that the information is contained in a separate mailing.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties.

Information Sources:

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